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## Commissioner Gomez Urges Insurance Intermediaries to Carefully Review Fee Arrangements with Customers



By Jorge Gomez,  
Commissioner  
of Insurance

Many of you have been actively following the investigations into alleged bid rigging and inappropriate collection of fees by insurance intermediaries and brokerage firms. These bid-rigging allegations fall into the category of criminal activity and a number of attorneys general continue to investigate this activity. Aside from the allegations of broker-company collusion, at the center of the bid rigging scandal is the nondisclosure of fees, commissions and other sources of compensation from companies to brokerage firms. As such, this issue has prompted state insurance regulators, including Wisconsin and the National Association of Insurance Commissioners (NAIC), to review existing laws and regulations that address how agents and brokers disclose compensation arrangements. My purpose in this article is to urge you to carefully review how you disclose your compensation arrangements for compliance with existing state statutes.

Wisconsin has had an intermediary disclosure rule since 1993. The disclosure rule is designed to provide the consumer of insurance products with information necessary to make an informed decision. Section 628.32, Wis. Stat., reads as follows:

“Disclosure required. (1) An intermediary may not accept compensation from an insured or from both an insured and another source due to the insured’s purchase of insurance or for advice regarding the insured’s insurance

needs or coverage unless the intermediary, before the insured incurs an obligation to pay compensation, clearly and conspicuously and in writing discloses to the insured all of the following:

- (a) The amount of compensation to be paid by the insured, excluding commissions paid by the insurer to the intermediary.
- (b) If compensation will be paid by another source, the fact that the intermediary will also receive compensation from the other source.”

The intent of this legislation is very clear; prior to the engagement and before the insured incurs an obligation to pay, an intermediary **may not** accept fees from an insured as an intermediary without clearly explaining the amount of compensation the insured will pay for

**An intermediary may not accept fees from an insured without clearly explaining the amount of compensation the insured will pay for services.**

the services and, if applicable, the fact that compensation will be received from another source, namely, the company with which the intermediary is placing business. OCI has always encouraged intermediaries to execute written agreements with the insured to clarify and document the compensation arrangements and to obtain an acknowledgement from the consumer. Best practices would dictate a clear, plain English disclosure.

**Continued on next page**

While the problem relative to intermediary compensation has not been endemic, the agency has pursued administrative actions against brokers for violations of this statute. This is apparently the case in other states that are actively investigating intermediary transactions for compliance with similar legislation in their own states, through coordination with the NAIC. The OCI is participating in this coordinated effort, taking into account the unique features of our market. An OCI bulletin to all domestic insurers and resident intermediary firms reminding affected parties of the disclosure requirements has been issued and is available on the OCI Web site.

Insurers and intermediaries should take care that they are complying with the requirements of s. 628.32, Wis. Stat. Recognize that s. 628.32, Wis. Stat., sets forth the minimum requirement for disclosure of compensation arrangements and carefully considers whether best practices require further disclosure.

A number of states do not currently have broker disclosure statutes and in response the NAIC, after considerable debate, recently adopted a model broker disclosure act. Similar in many respects to Wisconsin law, the model act requires compensation arrangements to be disclosed prior to the engagement. The model law limits disclosure to brokers who receive a fee from the client and requires the disclosure of the amount of compensation from insurers or, alternatively, the method in which compensation will be determined.

The NAIC is currently debating the question of whether the model law should extend further into the agency system requiring agents, particularly independent agents, to disclose all forms of compensation. Revisions to the Model Act would attempt to address the concern that agents are not fully disclosing all insurance options to clients when making a recommendation of one insurer over another. While this may not present issues in the captive agent market, some have argued that the best practice is to require full disclosure of compensation arrangements of independent insurance agents with

insurers providing the consumer with the capability of assessing whether the recommendation is influenced by the level of compensation. Needless to say, at this juncture, the issue is not fully resolved.

While the broker-disclosure issue has created some degree of alarm, it should also create the impetus for intermediaries to evaluate the disclosure arrangement with their clients. I look forward to continuing discussion with industry representatives and intermediaries about

the manner in which a sound disclosure arrangement can best be implemented and followed in Wisconsin.

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## Advertising Requirements for Agents who Market Medicare Supplement Policies

Many seniors find Medicare and Medicare supplement policies difficult to understand and, as a result, may be vulnerable to advertising practices used by some agents. This is one of the reasons that Wisconsin insurance law includes consumer protections regarding products sold to the Medicare eligible. These consumer protections include guidelines and rules that agents must follow before they can use an advertisement and solicit coverage. Agents need to be aware of the requirements that apply to advertising Medicare supplement policies.

Section Ins 3.39 (15), Wis. Adm. Code, requires that agents are responsible for filing advertisements with the OCI prior to use when the advertisement does not reference a particular insurer or Medicare supplement policy. When agents use advertisements that include the name of the insurer, they must submit the proposed advertisements to the insurance company for approval prior to use and then file the advertisement with the OCI if the company does not do so on their behalf.

In order to submit an advertisement to the OCI for review, agents must complete a Certificate of Compliance and Advertising Form Transmittal and send these documents to the OCI with

the accompanying advertisement. A copy of the Certificate of Compliance and the Advertising Form Transmittal may be printed from the OCI Web site at [oci.wi.gov](http://oci.wi.gov).

Advertisements that agents or insurance companies must file with the OCI prior to use include lead-generating materials used to contact individuals eligible for Medicare. Wisconsin insurance law defines advertisements very broadly. Advertisements include printed and published materials, audio visual materials, newspapers, magazines, radio and TV scripts, the Internet, Web pages and billboards. Advertisements also include prepared sales talks, presentations and seminars. Agents who fail to file advertisements used in connection with the sale of Medicare supplement policies will be subject to administrative action, including forfeiture.

*If you have additional questions, please feel free to contact Diane Dambach at [diane.dambach@oci.state.wi.us](mailto:diane.dambach@oci.state.wi.us)*

## Small Employer Uniform Application

The OCI continues to receive inquiries from insurance agents regarding the small employer uniform employee application for group health insurance. This Q&A attempts to address some of the most frequently asked questions.

**Q1** If a small employer wants to add a new employee or a new dependent to its existing insurance plan, does the new employee or new dependent have to complete the small employer uniform application?

**A1** Wisconsin insurance law does not require that a new employee addition to an existing small employer insurance plan complete the uniform application. However, the insurance company may require that the new enrollee complete the uniform application.

**Q2** Is the OCI going to make available versions of the application in languages other than English?

**A2** The OCI is not planning on making available versions of the uniform application that are not in English. However, insurance companies may translate the application into languages other than English. They must file a copy of the translated application form with the OCI on an Insurance Form Listing (form OCI 26-015) along with a certification of compliance.

**Q3** Is the OCI going to make available an electronic version of the application form?

**A3** No. However, insurance companies, agents or others may make an electronic version of the application available. Insurance companies and agents using electronic versions of the form will be held responsible for ensuring that the electronic form is identical to the uniform application published on the OCI Web site.

**Q4** Will the OCI allow companies to make available on-line enrollment capability?

**A4** Yes. However, the form must be identical to that in the rule and enrollees must be able to print a copy of the form after completion.

**Q5** Is the disclosure language in the uniform application compliant with the federal HIPAA laws regarding privacy?

**A5** Yes. The disclosure language has been reviewed by the OCI and found to be compliant with HIPAA.

**Q6** The authorization section of the uniform application indicates that an applicant's protected health information may be used by or disclosed to organizations and persons who are not subject to federal or state privacy laws. What does this mean?

**A6** This disclosure is required by federal law. In rare instances protected medical information may be required to be released to entities not subject to federal or state privacy laws, law enforcement agencies for example.

**Q7** The uniform application form is too long, can't OCI shorten it?

**A7** The Wisconsin legislature passed legislation requiring that by August 1, 2003, every small employer insurer use a uniform employee application. The uniform application was drafted by a committee consisting of insurance industry members, agency representatives, and insurance consumers. The OCI held a public hearing to allow members of the public to submit written or oral testimony. The uniform small employer application is the result of this process.

**Q8** What if an employer has a former employee on continuation who refuses to complete the application?

**A8** If the employer can document that the employee refuses to complete an application for new coverage, the former employee will not be eligible for the new plan because he or she failed to complete the enrollment form, and will lose group coverage when the current group plan terminates.

**Q9** Does an employee waiving coverage have to complete the application?

**A9** Yes. An employee waiving coverage at the time of application has a right to special enrollment if the employee loses existing coverage. Insurance companies need information regarding those employees and their dependents that will be covered or that have the right to coverage at a later date.

## Determination Notice

The Winnebago County Zoning Office will provide assistance to persons inquiring about floodplain property within the **unincorporated** area of the County. The information must be obtained in person in order to locate the property. The following information will be provided:

- Community Number
- Panel Number
- FIRM suffix

- Date of the FIRM's index (cover panel)
- Base Flood Elevation
- Elevation datum system
- Copies of Elevation Certificates, if available

Persons desiring this assistance should be aware that Winnebago County Zoning Office's general walk-in office hours are **8 - 10 a.m.** and **1 - 2 p.m.** with other hours by appointment.



## Update on Wisconsin's Continuing Education

The suspension date for Wisconsin's continuing education program for insurance agents has come and gone. Following is updated information about the program's operation and status.

### Suspension Period Arrived

On February 15, 2005, 4,850 agents who failed to complete their mandatory continuing education requirements had their licenses suspended. Suspension notices were mailed to all affected agents and the companies they represent. Those agents who did not complete the requirements by April 16, 2005, will have their licenses cancelled.

To correct credit discrepancies, agents are required to contact their continuing education provider(s) directly. These discrepancies can only be resolved between the agent, the provider, and Promissor, Inc.

### Basic Requirements

All agents who hold a license in any of the major lines of property, casualty, personal lines P&C, life, accident and health insurance, or the limited line of automobile, must meet the continuing education requirements. Your compliance date is printed on your license. *Course credits may be completed at any time during the two-year period.* Carryover of credits from one reporting period to another is not allowed.

*Reminder: If you completed your requirements prior to January 1, 2003, for the 2001-2003 reporting period, classes you completed after January 1 were automatically banked for the 2003-2005 reporting period.*

A list of approved providers and courses is available at Promissor's Web site through a link at OCI's Web site by logging on to [oci.wi.gov](http://oci.wi.gov), then click on "Agent" followed by "Promissor." Or,

you can log on directly to [www.promissor.com](http://www.promissor.com).

### Internet Transcripts Available from Promissor

To request your most current Licensee Continuing Education Transcript, log on to [www.promissor.com](http://www.promissor.com). Select Testing Services, then Insurance followed by Wisconsin Insurance. Under Continuing Education Services, click on "Licensee Course Transcript," and enter your Wisconsin license number or ssn and last name. You will be able to view and also print your transcript. Please note that allocated courses (those with a "Y") were credited to a previous reporting period. Non-allocated courses will be credited to the current reporting period as soon as we run compliance in November of 2004.

The transcript will permit you to take any action that is necessary to add, delete, or change information that is inaccurate. To correct credit discrepancies, agents are required to contact their continuing education provider(s) directly. These discrepancies can only be resolved between the agent, the provider and Promissor.

### Who to Call

Contact Promissor for answers to general questions, to gain information on course availability, and to confirm if credits have been banked in an agent's individual record. They may be reached at (800) 274-4679. *Reminder: Dial the (800) prefix whenever using this number.*

### Change of Resident Address

If you have a **resident** address change, please notify the Agent Licensing Section in writing at **P.O. Box 7872, Madison, Wisconsin 53707-7872**, by fax at **(608) 267-9451**, or by e-mail at [agentlicensing@oci.state.wi.us](mailto:agentlicensing@oci.state.wi.us). Telephone requests for change of address are not accepted.

## Important Insurance Information Now Available "En Español"

As part of our continuing effort to effectively reach out to as many Wisconsin citizens as possible, the OCI has created a new feature on our Web site which links consumers to important insurance information in Spanish. By clicking on the "En Español" link or button on the homepage, Spanish-speaking and bilingual consumers now have easy access to valuable information from various OCI brochures and press releases.

Insurance Commissioner Jorge Gomez, who speaks Spanish fluently, is confident that making the information available in Spanish is a vitally important step for both consumers and the OCI. "This latest feature on our Web site will allow us to educate more people about insurance," he said.

Currently, several OCI publications are available in the Spanish section of the Web site. These include **Consumer's Guide to Insurance**, **Brief Guide to Renter's Insurance**, **Consumer's Guide to Homeowner's Insurance**, and **Consumer's Guide to Auto Insurance**. The **Guide to Long-Term Care and Health Insurance for Small Employers and Their Employees** will be available soon.

The complaint form for consumers and information on how to fill out the form will also be available in the coming weeks. The Spanish section of the Web site also references the fact that OCI has Spanish-speaking staff available. As always, Spanish-speaking staff are available to take calls to the OCI complaint line (800-236-8517 or 608-266-0103 locally).

OCI publications, such as "[Consumer's Guide to Insurance](#)" and the others mentioned above, can be ordered free from the agency in English or Spanish by writing to **OCI Publications, P.O. Box 7873, Madison, WI 53707-7873**, calling **800-236-8517** or visiting the OCI Web site at [oci.wi.gov](http://oci.wi.gov).

## Important Information for Agents about the Wisconsin Health Insurance Risk Sharing Plan (HIRSP)

HIRSP appreciates the efforts of insurance agents who assist individuals in applying for HIRSP. Following are answers to some frequently asked questions:

**Q1** I advised my client that she qualified for a waiver of the preexisting condition waiting period, but found out later that she will have a waiting period after all. What happened?

**A1** Only HIRSP staff can make the final determination if a person is eligible for HIRSP and whether that person must serve the six-month waiting period for coverage of pre-existing conditions. HIRSP requires specific documentation, based on criteria established in state law, to make these determinations. Insurance agents do not represent HIRSP and should avoid advising clients on whether their applications will be approved by HIRSP and whether they will have a waiting period.

**Q2** Why does my client have to serve a waiting period even though he met all of the requirements to have the waiting period waived, including providing a certificate of creditable coverage showing that the most recent coverage was "group"?

**A2** Although the applicant's certificate of creditable coverage may indicate that the former insurance was "group" coverage, HIRSP must determine if the coverage meets the definition of "group" that is established in the state laws governing

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## P&C Notice of a Renewal with Altered Terms-Mailed Less than 60 Days Before Renewal

Insurers and agents have had questions about renewing policies with one or more changes initiated by the insurer. Renewal notices that include changes to the terms of the policy, increase a deductible, or increase the premium by 25% or more, must contain clear statements required by the statute, s. 631.36 (5), Wis. Stat. Additional requirements are placed upon the insurer when the notice is mailed less than 60 days before the renewal date. The additional requirements are given in the statute and in a court case interpreting the statute, Hanson v. Prudential, 224 Wis. 2d 356, 591 N.W.3d 619 (Ct. App. 1999).

The statute requires that the company include the following statements written in the altered term notices that it mails less than 60 days before the renewal:

- A statement that the new terms do not take effect until 60 days after

the altered term renewal notice was sent. This would mean that the old terms and premium continue into the new policy period until the 60 days has run;

- A statement that the policyholder has the right to cancel without penalty during the 60-day notice period.

An altered term notice, mailed less than 60 days from renewal, that does not include these statements does not function to change the policy or its premium. When the notice does not comply with the statute, the insurer would be required to continue the policy at the old terms and the old premium.

If you have questions on altered term notices, you could contact Rebecca Rebholz at 608-264-8111 or [rebecca.rebholz@oci.state.wi.us](mailto:rebecca.rebholz@oci.state.wi.us).

## Updated Publications

The OCI has recently updated several publications. Choose the "Publications" list from the Quick Links located at the top left side of our homepage, <http://oci.wi.gov>, to view, print or request a copy.

*Publications updated as of March 2005:*

- **Medicare Advantage - Questions and Answers**
- **Wisconsin Guide to Health Insurance for People with Medicare (2005)**
- **ANSI Codes**
- **Group Health Insurance Index**
- **Insurance Coverage and AIDS**
- **A Brief Guide to Renter's Insurance**
- **Consumer's Guide to Insurance for Small Business Owners**
- **Consumer's Guide to Worker's Compensation Insurance for Employers**
- **Wisconsin Buyer's Guide to Annuities**
- **Consumer's Guide to Auto Insurance**
- **Consumer's Guide to Homeowner's Insurance**

# UPDATE: OCI RULES

## Ins 3.39 – Relating to Medicare Supplement, Replacement, Cost, Select, and Medicare Advantage

The proposed rule implements modifications required by the NAIC Medicare Supplement Insurance Minimum Standards Model Act. The rule broadens and clarifies guarantee issue rights for persons who are also Medicaid eligible or who are or were insured by an employer-sponsored health insurance plan. (See more on this rule at [oci.wi.gov](http://oci.wi.gov).)

## Ins 5 – Relating to Administrative Hearing Procedures

This rule identifies specific sanctions allowed by the statutes and in circuit court and reinforces that they are available for use in administrative proceedings where a party defaults, fails to comply with a subpoena or fails to comply with discovery orders. Those additional sanctions are striking the pleadings, awarding expenses, imposing a forfeiture and any other statutory sanction allowed. Since the existing rule referenced certain penalties and not others, questions were from time to time raised regarding whether other statutory sanctions could be applied. (See more on this rule at [oci.wi.gov](http://oci.wi.gov).)

## Ins 14 – Relating to Vehicle Protection Plans

This rule implements new statutes regulating vehicle protection product warranties by setting the fees which the statutes required be set by rule by the Commissioner. The fees are set at a level to attempt to cover the agency's costs incurred in relation to

the review, data storage, monitoring and regulation of these vehicle protection product warranties.

For more information on these or other rules, visit the OCI Web site, [oci.wi.gov](http://oci.wi.gov), under the “Laws, Rules, and Bulletins” link.

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**HIRSP.** Basically, for HIRSP, “group” means an employee welfare plan as defined by ERISA and, based on ERISA:

- Married couples are not considered a “group” unless they employ(ed) at least one other individual.

Association plans typically do not meet the ERISA definition.

**Q3** Are individuals 65 years of age and older eligible for HIRSP?

**A3** Individuals who are already enrolled in HIRSP when they turn 65 may continue their HIRSP coverage. However, according to state law, if an individual is currently eligible for Medicare and 65 years of age or older at the time of application to HIRSP, he or she is not eligible. An individual 65 years of age or older but not eligible for Medicare may be eligible for HIRSP.

**Q4** Are individuals under 65 years of age who are on Medicare because of a disability eligible for HIRSP?

**A4** These individuals are eligible for HIRSP, but they will have a six-month waiting period for HIRSP coverage of services related to their pre-existing condition(s).

**Q5** How can I make sure I am using current application forms and quarterly rate tables?

**A5** The most current forms, rates and publications are available on the HIRSP Web site at [dhfs.wisconsin.gov/hirsp](http://dhfs.wisconsin.gov/hirsp) or by contacting HIRSP Customer Service at (800) 828-4777 or (608) 221-4551.

**Q6** How can I help expedite HIRSP's processing of an application?

**A6** • Make sure the application is complete and signed.

- Include all required documentation as well as a quarterly premium payment (based on current premium rate tables) with the application.
- If the applicant is employed or married with an employed spouse, (whether it is part-time or full-time), submit documentation from the employer(s) stating that group coverage is not available to them through the employer.
- Submit separate and complete applications, premium payments and all required documentation for each member of the family who is applying for HIRSP.

**Q7** How long does it take for HIRSP to process an application?

**A7** Please allow 30 days from the date HIRSP receives the complete application, including all requested documentation and first quarterly premium payment, for HIRSP to process the application.

**Q8** Will I be able to check on the status of my client's application or obtain information about their HIRSP coverage?

**A8** Yes, but only if your client authorizes you to do so by completing and signing an “Authorization to Release Information” form. These forms are available on the HIRSP website at [dhfs.wisconsin.gov/hirsp](http://dhfs.wisconsin.gov/hirsp) or by contacting HIRSP Customer Service at 1-800-828-4777 or (608) 221-4551.

**Q9** How can I contact HIRSP?

**A9** Contact HIRSP Customer Service by phone at:

Toll Free: (800) 828-4777

Local: (608) 221-4551

(HIRSP Customer Service staff are available from 8:30 a.m. to 4:30 p.m. on Monday, Wednesday, Thursday and Friday, and between 9:30 a.m. to 4:30 p.m. on Tuesday.)

**Also, remember that you can obtain information and download most of the forms you need at any time directly from the HIRSP Web site at:**  
**[dhfs.wisconsin.gov/hirsp](http://dhfs.wisconsin.gov/hirsp)**

## Administrative Actions Taken by OCI

In many of the proceedings listed below, the Respondent denied the allegations but consented to the actions. Detailed information regarding the proceedings is available from the OCI Legal Unit. Copies of all administrative actions completed since January 1, 2002, can be viewed and printed from OCI's Web site at <http://oci.wi.gov/admact/admact.htm>. A complete list of administrative actions taken in 2004 can also be found on OCI's Web site at [http://oci.wi.gov/ins\\_rev/2004admact.pdf](http://oci.wi.gov/ins_rev/2004admact.pdf). The following are actions for January through March 2005.

### Agents

Jason L. Anderson

615 W. Riverwood Dr. Apt. 305, Oak Creek, WI 53154

Agreed to pay a forfeiture of \$250.00 and agreed to respond promptly to all future requests for information from OCI. This action was based on allegations of a criminal conviction substantially related to insurance marketing type conduct and failing to respond promptly to inquiries from OCI. January 2005

Paul J. Beirl

1374 Carrington Ln., De Pere, WI 54115  
Has had his application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI and failing to pay past due child support. February 2005

James Bertler

4750 Pine Ln., Green Bay, WI 54313  
Has had his license suspended for 1,000 days. This action was based on allegations of failing to comply with previous OCI order. March 2005

Daniel E. Brunette

7644 William Penn Pl., Indianapolis, IN 46256

Paid a forfeiture of \$1,000.00 and was ordered to cease and desist from violating Wisconsin insurance law. This action was based on allegations of failing to report an administrative action taken by the National Association of Security Dealers. February 2005

John S. Carrel

4525 S. Harland Dr., New Berlin, WI 53151  
Has had his insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. March 2005

Neal R. Clemens

2938 N. Murray Ave., Milwaukee, WI 53211

Paid a forfeiture of \$1,000.00 and was ordered to cease and desist from violating ss. Ins 6.60 and 6.61, Wis. Adm. Code. This action was based on allegations of failing to report an administrative action taken by the Wisconsin Department of Securities, and violation of s. Ins 6.60 (2) (c), Wis. Adm. Code. March 2005

Penny M. Demler

11544 Meadowbrook Dr., Mequon, WI 53097

Agreed to not reapply for an intermediary license for a minimum period of at least one year after complying with additional requirements contained within the Stipulation and agreed to surrender her insurance agent's license. This action was based on allegations of modifying an application form by changing riders and coverage levels without knowledge of the insured and falsifying portions of an application by forging the insured's name and initials on documents submitted to the insurer representing the signature to be that of the insured. March 2005

Gregory Dudzik

553 Mollies Way, De Pere, WI 54115

Paid a forfeiture of \$1,000.00 and was ordered to cease and desist from violating provisions of ss. Ins 2.15 (9) (b), 2.16 (6) and 20.01 (4), Wis. Adm. Code, and s. 628.34 (1), Wis. Stat. This action was based on allegations of failing to disclose prior to sales presentation identity as insurance agent, purpose of visit, or identity of insurer and product; also failing to determine suitability of sale. January 2005

George Fitzharris

6104 W. Lincoln Ave., West Allis, WI 53219

Paid a forfeiture of \$250.00 and was ordered to cease and desist from making incomplete or misleading statements to the Commissioner in violation of s. 601.42,

Wis. Stat. This action was based on allegations of making incomplete and misleading statements to OCI. January 2005

Harry Carl Horowitz

1600 Passion Vine Cir., Weston, FL 33326  
Has had his license denied for 31 days. This action was based on allegations of failing to disclose administrative action taken by the state of Washington on an insurance license application. January 2005

Stephen Ira Levitus

7205 Shannon Dr., Edina, MN 55439  
Has had his license denied for 31 days. This action was based on allegations of failing to disclose administrative action taken by the state of New York on an insurance license application. March 2005

Daniel M. Lindow

212 Garfield Cir., Waukesha, WI 53186  
Has had his license denied for 31 days. This action was based on allegations of failing to disclose previous administrative action taken by the state of Wisconsin on an insurance license application. January 2005

Gerald R. Miller

N1166 Continental Ln., La Crosse, WI 54601

Has had his insurance license revoked. This action was based on allegations of failing to properly consider suitability in selling life insurance and misrepresenting a client's income on an application. March 2005

Michael Napadow

129 Canterfield Pky., West Dundee, IL 60118

Was ordered to pay a forfeiture of \$5,000.00 and was ordered to cease and desist from doing any business with Nations Hazard Insurance Company. This action was based on allegations of using unapproved policy forms and doing an



insurance business without proper authority. March 2005

Donald F. Neubert  
W225 N4006 Grandview Dr., Pewaukee, WI 53072  
Agreed to never reapply for any insurance license in the future and agreed to a revocation of his insurance license. This action was based on allegations of utilizing premiums for own use and not submitting applications to the insurer. March 2005

Diane E. Ogden  
3101 Stratton Way, Madison, WI 53719  
Agreed to pay a forfeiture of \$250.00. This action was based on allegations of failing to report three Wisconsin administrative actions on an insurance application. March 2005

Monica Marquez Olivares  
207 Kate Schenck, San Antonio, TX 78223  
Has had her application for an insurance license denied. This action was based on allegations of failing to disclose administrative action taken by the state of Texas on an insurance license application and failing to respond promptly to inquiries from OCI. February 2005

Douglas M. Pickar  
408 S. Division St., Waupaca, WI 54981  
Paid a forfeiture of \$1,000.00 and was ordered to report all actions required to be reported under s.s. Ins 6.60 and 6.61, Wis. Adm. Code. This action was based on allegations of failing to report an administrative action taken by another state. February 2005

Oscar C. Rios  
915 S. Maple, Green Bay, WI 54304  
Has had his application for an insurance license denied. This action was based on allegations of criminal convictions substantially related to insurance marketing type conduct. March 2005

Laurie Lee Sisk  
6014 Hill Circle Dr., Nashville, TN 37209  
Has had her insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. March 2005

Paula Marie Snowden  
1427 N. 10th St. Apt. 405, P.O. Box 734, Sheboygan, WI 53081  
Has had her license denied for 31 days. This action was based on allegations of failing to disclose a previous administrative action taken by the state of Wisconsin on an insurance license application. February 2005

Charles Montgomery Stephenson  
106 E. San Pedro Ct., Gilbert, AZ 85234  
Has had his application for an insurance license denied. This action was based on allegations of criminal conviction substantially related to insurance marketing type conduct. March 2005

Robert Joseph Wilson  
1213 N. Carol Ln., Oklahoma City, OK 73127  
Has had his license denied for 31 days. This action was based on allegations of failing to disclose administrative action taken by the state of Missouri on an insurance license application. January 2005

Yeng Yang  
2401 Fish Hatchery Rd. Apt. D, Madison, WI 53713  
Has had his application for an insurance license denied. This action was based on allegations of failing to disclose previous charges and criminal convictions on an insurance license application and a criminal conviction substantially related to insurance marketing type conduct. February 2005

### Companies

Accident Fund Insurance Company of America  
232 S. Capitol Ave., Lansing, MI 48933  
Paid a forfeiture of \$500.00 and was ordered to cease and desist from violating s. Ins 21.01 (8), Wis. Adm. Code, by failing to state with reasonable precision the facts on which its decision to cancel or nonrenew is based. This action was based on allegations of issuing an improper midterm cancellation or nonrenewal of an insurance policy. March 2005

Affinity Insurance Services Inc.  
159 E. County Line Rd., Hatboro, PA 19040  
Has had its license denied for 31 days. This action was based on allegations of failing to disclose administrative action

taken against Kurt Meister by the states of Massachusetts, Kentucky, New Hampshire, Florida and Wisconsin on a business entity insurance license application. February 2005

American International Insurance Company  
505 Carr Rd., Wilmington, DE 19809  
Paid a forfeiture of \$500.00. This action was based on allegations of failing to file a required financial statement by the due date. February 2005

American Motorists Insurance Company  
1 Kemper Dr., Long Grove, IL 60049  
Was ordered to cease and desist from altering policy terms and/or increasing premiums 25% or more without providing proper notice and refund offer. This action was based on allegations of issuing an improper conditional renewal of an insurance policy. March 2005

Austin Mutual Insurance Company  
10 Second St. NE, Ste. 300, Minneapolis, MN 55413  
Paid a forfeiture of \$2,000.00 and was ordered to issue 60-day notices to insureds when premiums increase over 25%. This action was based on allegations of issuing an improper renewal of an insurance policy. March 2005

Blue Cross Blue Shield of WI  
401 W. Michigan St., Milwaukee, WI 53203  
Paid a forfeiture of \$1,000.00. This action was based on allegations of failing to comply with a previous examination order. February 2005

Bridge Benefits, Inc.  
250 E. Broad St. #2100, Columbus, OH 43215  
Has had its application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI requesting the Employee Benefit Plan Administrator license application fee, financial statement, and appropriate performance bond. February 2005

C M I Group, Inc.  
424 N. Fourth St, Milwaukee, WI 53203  
Has had its insurance license revoked. This action was based on allegations of failing to pay Wisconsin delinquent taxes due. March 2005



<p>Claim Source, Inc. P.O. Box 5949, Buffalo Grove, IL 60089 Has had its application for an insurance license denied. This action was based on allegations of failing to respond promptly to inquiries from OCI regarding completion of the Employee Benefit Plan Administrator license application and submission of the required performance bond. February 2005</p>	<p>and compliance order issued for examination report. March 2005</p>	<p>to comply with a previous market conduct examination order. February 2005</p>
<p>Corniche Group, Inc. 610 S. Industrial Blvd. Ste. 220, Euless, TX 76040 Has had its insurance license revoked. This action was based on allegations of failing to file a required financial statement by the due date and failure to respond to a request for information regarding a warranty plan financial requirement. February 2005</p>	<p>Moraine Mutual Insurance Company 3830 Mayfield Rd., Jackson, WI 53037 Paid a forfeiture of \$500.00 and was ordered to cease and desist from issuing nonrenewal notices that do not provide reasonably precise facts upon which the nonrenewal decision is based. This action was based on allegations of issuing an improper midterm cancellation or nonrenewal of an insurance policy. March 2005</p>	<p>Travco Insurance Company One Tower Sq., Hartford, CT 06183 Paid a forfeiture of \$1,500.00 and was ordered to cease and desist from not providing either a renewal or a nonrenewal notice and from canceling policies for nonpayment of premium without providing proper notice. This action was based on allegations of issuing an improper midterm cancellation or nonrenewal of an insurance policy. March 2005</p>
<p>Flyway Mutual Insurance Company 918 W. Main St., Waupun, WI 53963 Paid a forfeiture of \$500.00 and was ordered to cease and desist from issuing improper renewal with altered term notices. This action was based on allegations of issuing a notice of renewal with altered terms for an insurance policy with insufficient advance notice. March 2005</p>	<p>Nations Hazard Insurance Company 129 Canterfield Pky., West Dundee, IL 60118 Was ordered to pay a forfeiture of \$5,000.00 and was ordered to cease and desist from conducting insurance related business in Wisconsin without authorization. This action was based on allegations of failing to respond promptly to inquiries from OCI and doing an insurance business without proper authority. March 2005</p>	
<p>Flyway Mutual Insurance Company 918 W. Main St., Waupun, WI 53963 Paid a forfeiture of \$500.00. This action was based on allegations of failing to comply with a previous examination order. February 2005</p>	<p>Rapid Response Roadservice Motor Club 275 E. Hillcrest Dr., Thousand Oaks, CA 91360 Has had its insurance license revoked. This action was based on allegations of failing to file a required financial statement by the due date. February 2005</p>	
<p>Highlands Insurance Company 10370 Richmond Ave., Houston, TX 77042 Was ordered to cease and desist from violating s. Ins 21.01 (8), Wis. Adm. Code, by failing to state with reasonable precision the facts on which its decision to nonrenew were based. This action was based on allegations of issuing an improper midterm cancellation or nonrenewal of an insurance policy. March 2005</p>	<p>Reedsburg Westfield Mutual Insurance Company 1417 Ridgeview Dr., Reedsburg, WI 53959 Paid a forfeiture of \$500.00. This action was based on allegations of failing to comply with a previous examination order. February 2005</p>	
<p>Medical Associates Clinic Health Plan of Wisconsin 1605 Associates Dr., Ste. 101, Dubuque, IA 52002 Paid a forfeiture of \$500.00. This action was based on allegations of failing to comply with a previous examination order</p>	<p>Reliastar Life Insurance Company of NY 5780 Powers Ferry Rd. NW, Atlanta, GA 30317 Paid a forfeiture of \$500.00. This action was based on allegations of failing to file a required financial statement by the due date. February 2005</p>	
	<p>Rural Mutual Insurance Company 1212 Deming Way, Madison, WI 53717 Paid a forfeiture of \$1,000.00 and was ordered to comply with the recommendations within 60 days. This action was based on allegations of failing</p>	